

LEWIS COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
DBA MORTON GENERAL HOSPITAL AND NURSING HOME
Lewis County, Washington
January 1, 1993 Through December 31, 1994

Schedule Of Findings

1. The District Is Not Authorized To Spend Public Funds On Senior Housing

In 1989, Lewis County Public Hospital District No. 1 began incurring expenses related to the construction of a senior congregate care facility. Expenditures included such things as site and marketing studies, architectural planning, grant writing, and purchase options on a proposed site. These costs were never capitalized and accounting records are incomplete but it appears that at least \$27,000 was spent for this purpose.

Initially, the district expected to be reimbursed via a Farmer's Home Administration (FmHA) grant. However, in 1993, FmHA determined there was no funding available for a congregate care facility. There was, though, the possibility of obtaining other federal funding for senior housing. The district, apparently under the belief that senior housing was within the authority of a public hospital district, spent at least \$15,000 more in related costs before abandoning the project in 1994.

RCW 70.44.003 states:

The purpose of 70.44 RCW is to authorize the establishment of public hospital districts to own and operate hospitals and other health care facilities and to provide hospital services and other health care services for the residents of such districts and other persons.

RCW 70.44.007 states in part:

. . . The words "other health care facilities" shall mean nursing home, extended care, long term care, outpatient and rehabilitative facilities, ambulances, and such other facilities as are appropriate to the health needs of the population served.

We do not question the first \$27,000 spent in attempting to establish a congregate care facility. Such a facility is clearly allowable. The remaining \$15,000, we believe, was spent improperly. In our opinion, senior housing does not fall within the definition of health care facilities and the district lacks statutory authority to fund such housing.

We recommend the district limit its expenditures to those authorized by statute.